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**FISCAL IMPACT STATEMENT**

**LS 6860**

**BILL NUMBER:** SB 202

**NOTE PREPARED:** Mar 14, 2005

**BILL AMENDED:** Mar 14, 2005

**SUBJECT:** University Bonding.

**FIRST AUTHOR:** Sen. Wyss

**FIRST SPONSOR:** Rep. Buell

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) The bill exempts all state educational institutions, except Ivy Tech State College and Vincennes University, from obtaining the approval of the General Assembly to issue bonds for research facilities if the facilities will generate sufficient revenues to meet debt service. The bill allows the trustees of Indiana University to issue bonds for acquisition, renovation, expansion, and improvement of the hotel facility adjacent to the conference facility on the Indianapolis campus. The bill also authorizes the trustees to use up to \$200,000 of the bond proceeds for an integrated transit study for the Indianapolis campus.

**Effective Date:** Upon Passage.

**Explanation of State Expenditures:** (Revised) *University Research Facilities Financing:* The bill authorizes the trustees of Indiana University, Purdue University, Indiana State University, the University of Southern Indiana, and Ball State University to issue bonds without the approval of the General Assembly to construct and equip research facilities at any of their campuses, provided research activities at these facilities will generate revenues from various sources at least equal to the annual debt service for the outstanding bonds. As a result, this provision will not require fee increases by, or increases in state funding to, the universities for purposes of financing these projects.

*Indiana University Hotel Acquisition Financing:* The bill allows Indiana University to issue bonds of up to \$31.2 M for the acquisition, renovation, expansion, and improvement of the hotel facility adjacent to the conference facility on the Indianapolis campus. The bill provides that up to \$200,000 in bond proceeds may be used for an integrated transit study to ascertain and recommend options for increasing accessibility to the Indianapolis campus and surrounding areas. Hotel income would be used to cover the bond's cost. The

approximate annual cost assuming a 30-year bond at 4% would be \$1.8 M per year.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana University; Purdue University; Indiana State University; the University of Southern Indiana; and Ball State University.

**Local Agencies Affected:**

**Information Sources:**

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